

2006 Total Compensation Survey Results

June 2006

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Executive Summary

Survey Results

- In total, state employee salaries made modest progress (plus two percentage points; 23% to 21%) towards being more competitive with in-state and out-of-state competitors. Seventy-six percent of all survey benchmarks either gained on the prevailing rate or were unchanged from 2004.
- Specifically, 37 benchmarks (44%) gained on the prevailing rate, 20 benchmarks (24%) lost additional ground and 27 benchmarks (32%) remained unchanged.
- For the first time in four survey periods (8 years) the state's competitive position for salaries has not worsened. Monies spent in 2005 for prevailing rate improvements to specific job classes and the general wage adjustment to all classified employees were largely responsible.
- Overall survey participation was 72% for salaries and 34% for benefits, down slightly from 78% and 40% respectively in 2004.
- Performance of key benchmarks
 - Improvement to Market
 - DOT Engineer/Technician
 - Electrician
 - Automotive Mechanic
 - Community Corrections Officer
 - Loss to Market
 - Information Technology Specialist 3
 - Carpenter
 - Forensic Scientist
 - No Change to Market
 - Registered Nurse
 - Pharmacist
 - Corrections and Custody Officer 2
- Changes to medical deductibles and co-pays reported by participants bring them in line with current state practice. There were no other notable changes in benefit plan practices by survey participants from that reported in 2004.

Trends

- State and national trends indicate salary adjustments for 2006 ranging from 2.0% – 4.0% (public sector non-merit) with similar adjustments to pay ranges.
- The state economy and labor market are reviving. Overall wage growth, however, will remain modest; likely in the range of 2.0% - 2.5% for 2006. The Economic Research Institute of Bellevue, Washington projects state wage growth for 2007 in the range of 2.5% - 3.0%
- Medical costs in this state will continue to increase (10% – 12% projected) due to higher operating costs for providers coupled with increased utilization experience caused by reduced access to services and the baby boomer “repair” phenomena. Cost reduction/mitigation strategies are the primary benefit issue among all the state's employers.

Background and Methodology

Survey Breakout

The Total Compensation Survey is conducted by the Washington State Department of Personnel – State Compensation Office every two years. Base salaries, pay practices, and benefit data are collected from both public and private sector employers and compared to pay and benefits provided by the state (general government and higher education). The survey is composed of three separate surveys, the largest being the in-state survey which includes nearly 300 participants from both the public and private sectors in eleven industry segments. Forty-nine benchmark positions are measured in this survey

The out-of-state (OOS) survey includes twelve states, several Oregon and California county governments and the Federal Government. The OOS survey includes twenty-five benchmarks which are unique to state and federal governments. This survey is supplemented by benefit and pay practice data compiled by the Central States' Compensation Association whose members include Washington State and most of the other states surveyed in the OOS survey.

The third survey called the special benchmark survey is comprised of ten benchmarks and a limited number of participants who have strong matches to this work. Additional information on these three surveys may be found in **Exhibit 1 2006 Total Compensation Survey – Specific Survey Description Details**.

Survey Process

Employers from the survey database were contacted prior to the beginning of the survey to secure their participation and to confirm their contact information. The survey questionnaire was completed on-line and e-mailed back to our central database. Reports were produced to support the audit and analysis of the data and for preparation of specific reports including the 20-day notice. Survey results, once reviewed and approved internally, are presented to the Director, WSDOP for final approval. Once approved, the survey will be posted to the WSDOP website and results sent by e-mail to all participants.

Total Compensation Survey Results and Analysis

Survey results and analysis are presented by the survey segments identified in the background and methodology section of this report.

Overall Results and Analysis

Two hundred and forty employers provided data to the survey, a participation rate of 72%. While slightly less than the 77% participation rate achieved in the 2004 survey, it represents a commendable achievement given the survey timing period of late October to early January. The average number of benchmarks matched by participants was 10, down slightly from the average of 11 reported in 2004 but none-the-less a strong indication that employers were committed to providing a thorough set of data. There were, on average, 45 participants per benchmark ranging from a low of 12 for the Offset Duplicator to a high of 134 for the Senior Secretary. Our data audit process typically eliminates five to seven percent of the data collected. Less than four percent (3.8%) of the data submitted in the 2006 survey was rejected, another positive indication of accurate matching to benchmarks.

Thirty-seven of 84 benchmarks (44%) improved to the competitive market by an average of 2.4 ranges or 6%. Twenty benchmarks (24%) lost additional ground to the market by an average of 1.1 ranges or 2.8%. The remaining 27 benchmarks (32%) remain unchanged. Over 75% of the state's benchmarks improved upon, or held their own against the state's competitive markets; an achievement largely made possible through monies appropriated in 2005 for employee salaries in the form of general wage and prevailing rate adjustments, the latter driven by those benchmarks furthest behind the market. Specific data related to salary comparisons is found in each survey section's data application exhibit. **Exhibit 2 2006 Total Compensation Survey – Required Salary Range Movement of Benchmark Groups to Address Salary Lag** identifies all benchmarks to their position within the competitive market.

In-State Survey Results and Analysis

Two hundred and fifteen employers representing 11 separate industry segments throughout the state provided data to this survey, a participation rate of 72.4%. Of the 49 benchmarks surveyed, 24 (49%) showed improvement to the market by an average of 7% or nearly 3 ranges, 11 benchmarks (22%) lost ground to the market by an average of 3.7% or 1.5 ranges and 14 benchmarks (29%) remained unchanged from the 2004 Survey. One new benchmark was added to this years' survey, the Security Guard, and three benchmarks were abolished, the Senior Office Assistant, Data Entry Operator and Heavy Equipment Operator. The Electrician benchmark gained the most ranges on the competitive market (+7) while the largest loss to market occurred to the Nurses Aide benchmark at three ranges.

While the estimated annual cost to implement the results of the 2006 Total Compensation Survey continues to show a considerable overall market lag of 9.1 ranges or 21% (compared to 9.8 ranges or 23.0% in 2004) the improvement is encouraging and reverses the trend of increased market lag experienced in the survey since 1998. In most cases, the state was able to improve upon or keep up with aggressive market trends in key benchmark positions, like engineering, pharmacist, registered nurse and correctional officers. This has not been the case in the last three surveys.

Out-of State Survey Results and Analysis

This survey consists of 12 state participants, 15 county jurisdictions in Oregon and California, and the Federal Government represented by employees working in this state. Survey participants represent a cross-section of employers whose scope and size of government make for better job matches to Washington benchmarks and whose governing and financial structure is similar to that of our state. Federal Government data is used only for specific benchmarks where we compete most closely for in-state job candidates. One benchmark (Public Health Advisor B) was added to the survey and two benchmarks were re-indexed to other benchmarks. The OOS survey shows nine benchmarks (36%) improving to market, at an average of 2.3 ranges or 5.8%, while eight benchmarks (32%) lost ground to market at an average of 1.9 ranges or 4.8%. Eight benchmarks (36%) saw no change to their competitive market position from 2004. As with the in-state survey, job classes receiving prevailing rate monies made the most progress to the market; examples of this are the Industrial Insurance Appeals Judge 3 and the Workers Compensation Adjudicator 3.

Special Benchmark Survey Results and Analysis

The special benchmark survey consists of ten benchmarks. We typically survey specific participants who solely or largely perform the work represented by these benchmarks in order to obtain matches. There were four benchmarks that improved slightly to market, one that lost some ground and five that were unchanged from 2004. Neither the gains nor losses were greater than 1 range or 2.5%.

Pay Practices Results and Analysis

Shift Differential - Medical

Fifty-six employers, most of them hospital or primary health care facilities, submitted data on shift differentials paid for evening and night shift work. The average reported differential for evening and night shifts was \$1.60 and \$2.45/hour respectively with the medians being \$1.45 and \$2.25. The most common or prevalent differential rates were \$1.50 and \$3.75/hour for the evening and night shifts. The prevailing rates reported in 2004 for those same shifts were \$2.50 and \$3.50. The drop in the evening rate appears to be primarily due to a larger number of smaller hospitals reporting data in this survey than who reported in 2004.

Shift Differential – Non Medical

Sixteen non-medical employers reported paying shift differentials. Few public sector employers reported data due to the large number of rate variations based on multiple labor agreements. Due to the small sample size the median rate is the most representative data point. Those rates are \$.55 and \$.50 for evening and night shift work.

Salary Increase/Wage Adjustment Percentages Budgeted for 2006

Exhibit 3 Salary Increase/Wage Adjustment Percentages Budgeted for 2006 for Employers

Planning Adjustments identifies the planned or presently budgeted for salary increase/wage adjustment percentages for CY/FY 2006 by market segment for those benchmarks represented in the survey as well as a separate breakout for states surveyed in the OOS survey. The average for all in-state public and private sector employers who are planning adjustments is 3.3%. This average does not include monies for promotions, bonuses, market adjustments or other types of special increases. Ninety-three percent of survey participants are planning adjustments in 2006 ranging from 1.5% – 7.0%. Survey participants planning adjustments exceeding 4.0% all report using merit/performance-based pay as their primary pay delivery approach. It appears that the general in-state labor market will remain strong across-the-board during 2006.

Employee Benefits Survey Results and Analysis

Exhibit 4 Employee Benefit Plan Survey - Data Summary provides a high level summary comparison of benefit plans. The participation rate dropped from 40% in 2004 to 35% in 2006. This was primarily due to the survey timing, which limited the time available for participants to provide benefit data.

Benefit plans are difficult to compare and cost due to the wide variety among employers of employee utilization rates and managed care options. This survey component asks for basic features of an employer's primary benefit plans. Unlike the dynamic market of salaries, benefits changes, with the significant exception of employee medical costs, occur more slowly and may remain unchanged for years. Some benefits, like pensions and savings plan, often require lengthy legal and financial disclosure of changes in order to meet Federal guidelines.

The state's benefits plan, overall, is quite competitive with in-state and out-of-state employers, particularly in the area of employee-paid medical premiums. The survey shows that medical deductibles have increased and employer co-pays decreased among survey participants. This change brings them comparable to our state's practice. There remain three areas where state benefits measure up less well than the prevailing practice of survey participants. They are:

- **Time off with pay eligibility** - It takes more service time (1 year) to reach eligibility for 15 and 20 days of vacation.
- **Death Benefit** – The state's employee death benefit of \$25,000- compared to one times salary up to \$50,000.
- **Employer Paid LTD** – Employer Paid LTD benefit of 60.0% of base pay up to \$240/month compared to the survey practice of 60% of base pay up to \$3,600/mo.

These plan differences represent potential areas for improvement and possible cost tradeoffs with salary, as opposed to areas representing significant competitive disadvantage. Minor changes reported by survey participants to the total benefits cost, as a percentage of payroll, most likely reflects additional medical costs and subsequent higher rates of subsidization by employers.

National/Regional Trends

Research indicates that, nationally, most public sector employers who are planning adjustments in CY/FY 2006 plan on adjusting their salaries and salary structures by an average of 2.8% (ranging from 2.4% - 3.2%). National survey and association sources indicate that organizations using merit pay plan on providing range adjustments of 2.5% – 3.2% and salary increases averaging 3.8%. A subset of WorldatWork data, on public sector employers in the Western United States shows, on average, plans for both structure and general wage adjustments of 2.4%, slightly less than the national trend.

Industry Trends and Related Data Sources

<u>Data Source</u>	<u>Structure</u>	<u>Salary Increase</u>	<u>National Health Care Costs Increase Projections</u>
CSCA (out-of-state participants)	2.8%	2.8%	
WorldatWork (WAW)	2.5%	3.8%	
WAW-Western States Public Sector	2.4%	2.4%	
CompData	3.2%	3.6%	
Hay Group	3.0%	3.5%	
Mercer	3.0%	3.6%	
Watson Wyatt	2.6%	3.9%	
Hewitt Associates	2.6%	3.6%	
IOMA	3.0%	3.7%	
Segal		4.0%	12.7% (PPO) 12.0% (HMO)

The Bureau of Labor Statistics (BLS) reports the Consumer Price Index – Urban (CPI-U) is up 3.4% and the Employment Cost Index (ECI) is up 3.1% nationally during the period December 2004 to December 2005. The BLS predicts similar increases in the CPI-U for 2006 and a slight decrease to the ECI of 2.8%. However, the benefits' portion of the ECI rose 4.1% during this same period. At the state level, our experience has been quite similar but typically runs one-half to three quarters of a percent higher in the greater-Seattle area. The recovering state economy and growing job market are again challenging employers to focus on attracting and retaining talent. These employers compete directly with the state of Washington for experienced job candidates. Employers are not solely focused on “buying” the right talent. State employers indicate they are putting an increased emphasis on building talent from within and taking a long-term approach to growing businesses. They are rethinking the overall reward package offered to employees and trying to find the right balance of pay, benefits, work-life experience, and careers – “Total Compensation”. Research shows that employees are emphasizing the importance of career development and advancement in their decision to join or remain with an organization.

Benefit costs to employers continue to rise at three to four times the rate of general inflation. The Segal Company, a management/actuarial firm specializing in benefits planning, expects that nationally the double-digit trends that have existed for the past five years will continue for at least the next year, but level out or become somewhat lower in 2007 and 2008 as additional costs are passed on to employees and additional cost reduction strategies are implemented.

King County announced in June 2005 that health care premiums would be raised in 2007 for employees and dependents who smoke, have high cholesterol or who are significantly overweight. Information is being gathered from employers on a voluntary basis. However, those not submitting data will be charged higher premiums. Most state public sector employers report they are conducting comprehensive reviews of their health care plans looking for ways, other than just increasing employee premiums, to reduce or slow the pace of increased health care costs.

Exhibits

Exhibit 1

2006 Total Compensation Survey – Specific Survey Description Details

Exhibit 2

2006 Total Compensation Survey – Required Salary Range Movement of Benchmark Groups to Address Salary Lag

Exhibit 3

Salary Increase/Wage Adjustment Percentages Planned/Budgeted for 2006 for Employers Planning Adjustments

Exhibit 4

Employee Benefit Plan Survey Results – Data Summary

**2006 Total Compensation Survey
Specific Survey Description Details**

In-State

- Forty-nine benchmarks
- Database of 335 medium (200-400) to large (500+) employers in eleven industry groups doing business in the State of Washington.
- Two-hundred ninety seven identified participants, 215 of which submitted data for a 72.4% participation rate.
- Average number of benchmark matches per participant is 10.
- Average number of participants per benchmark is 45.

Out-of-State

- Twenty-five benchmarks
- Twelve state participants including:
Oregon, Idaho, California, Colorado, Arizona, Michigan, Wisconsin, Illinois, Iowa, Utah, Nevada, Minnesota
- County Governments from Oregon and California.
- Federal Government (positions working in Washington State).
- Average number of matches per participant is 9.5.
- Average number of participants per benchmark is 19.

Special Benchmark

- Ten benchmarks.
- In-state employers.

**2006 Total Compensation Survey
Required Salary Range Movement of Benchmark
Groups to Address Salary Lag**

Key:

GG	General Government
HE	Higher Education
Joint	Benchmark shared with GG and HE
Range	2.5%
APW	Above Prevailing Wage

Benchmark Numerical Sequence:

4 – 76	In-State Benchmarks
100 Series	Out-of-State Benchmarks
200 Series	Special Benchmarks

The number of ranges listed in the parentheses denotes the 2004 survey results.

17 Ranges (42.5%)

GG: Bmk 59 Registered Nurse 2 (17)

15 Ranges (37.5%)

GG: Bmk 57 Stationary Engineer 2 (16)
 HE: Bmk 57 Steam Engineer (16)
 HE: Bmk 59 Registered Nurse II (15)
 HE: Bmk 62 Occupational Therapist II (14)

14 Ranges (35%)

Joint: Bmk 28 Information Technology Specialist 3 (13)
 GG: Bmk 58 Physician Assistant (16)
 HE: Bmk 58 Health Care Specialist (16)
 GG: Bmk 64 Physical Therapist 1 (13)
 HE: Bmk 64 Physical Therapist II (16)
 GG: Bmk 66 Pharmacist (14)
 HE: Bmk 66 Pharmacist II (21)
 HE: Bmk 74 Social Worker 1 (15)

13 Ranges (32.5%)

Joint:	Bmk 20	Management Analyst 3 (13)
GG:	Bmk 27	Computer Operator 4 (15)
HE:	Bmk 27	Computer Operator III (13)
HE:	Bmk 53	Carpenter (11)
HE:	Bmk 65	Clinical Technologist I (17)
GG:	Bmk 101	Industrial Ins Appeals Judge 3 (16)

12 Ranges (30%)

GG:	Bmk 21	Contracts Specialist 2 (13)
GG:	Bmk 33	Transportation Technician 2 (15)
GG:	Bmk 34	Transportation Engineer 2 (15)
GG:	Bmk 35	Transportation Engineer 5 (15)
HE:	Bmk 68	Dietitian (11)

11 Ranges (27.5%)

GG:	Bmk 19	Research Analyst 3 (11)
GG:	Bmk 23	Worksource Specialist 2 (14)
HE:	Bmk 24	Buyer II (9)
GG:	Bmk 25	Safety Officer 1 (11)
Joint:	Bmk 30	Communications Consultant 3 (13)
GG:	Bmk 54	Electrician (18)
HE:	Bmk 54	Electrician (16)
GG:	Bmk 47	Laborer (16)
HE:	Bmk 47	Utility Worker I (15)
Joint:	Bmk 48	Truck Driver 2 (11)
GG:	Bmk 53	Carpenter (9)
Joint:	Bmk 55	Automotive Mechanic (14)
HE:	Bmk 69	Campus Police Officer (11)
Joint:	Bmk 70	Corrections and Custody Officer 2 (11)
GG:	Bmk 204	Property & Acquisition Specialist 3 (12)
GG:	Bmk 130	Physician 2 (11)

10 Ranges (25%)

HE:	Bmk 12	Offset Duplicator Operator (13)
Joint:	Bmk 16	Fiscal Analyst 2 (12)
HE:	Bmk 32	Electronics Technician II (12)
GG:	Bmk 208	Financial Examiner 3 (11)

9 Ranges (22.5)

Joint: Bmk 11	Library & Archival Professional 2 (8)
Joint: Bmk 15	Fiscal Technician 2 (9)
GG: Bmk 9	Human Resource Consultant 3 (8)
Joint: Bmk 56	Equipment Technician 3 (7)
GG: Bmk 201	Liquor Store Clerk (9)
GG: Bmk 121	Environmental Specialist 3 (8)

8 Ranges (20.0%)

Joint: Bmk 18	Assistant State Auditor 3 (8)
GG: Bmk 24	State Procurement Officer 2 (6)
GG: Bmk 50	Maintenance Supervisor (8)
GG: Bmk 68	Registered Clinical Dietician (7)

7 Ranges (17.5%)

Joint: Bmk 4	Secretary Senior (10)
GG: Bmk 5	Legal Secretary 2 (10)
HE: Bmk 5	Legal Secretary (10)
Joint: Bmk 46	Grounds & Nursery Svs Specialist 2 (10)
GG: Bmk 49	Maintenance Technician 2 (6)
GG: Bmk 125	Natural Resource Specialist 2 (6)

6 Ranges (15%)

HE: Bmk 61	Hospital Assistant (3)
GG: Bmk 62	Occupational Therapist 2 (4)
GG: Bmk 71	Security Guard 1 (new benchmark)
GG: Bmk 202	Administrative Program Specialist 2 (7)
GG: Bmk 205	Communication Officer 1 (6)
GG: Bmk 111	Community Corrections Officer 2 (9)
GG: Bmk 113	Recreation Specialist 2 (7)
GG: Bmk 127	Agricultural Inspector 2 (7)
GG: Bmk 132	Food Safety Officer 2 (7)

5 Ranges (12.5%)

GG: Bmk 12	Offset Duplicator Operator 2 (8)
GG: Bmk 75	Cook (5)
HE: Bmk 210	Mate, Chief (4)
GG: Bmk 115	Vocational Rehab Counselor (2)
GG: Bmk 116	Civil Rights Investigator 2 (5)
GG: Bmk 119	Forensic Scientist 3 (3)

4 Ranges (10%)

Joint: Bmk 42	Custodian 1 (9)
Joint: Bmk 45	Warehouse Operator 1 (8)
HE: Bmk 63	Surgical Technologist (4)
GG: Bmk 126	Fish and Wildlife Biologist 3 (3)
GG: Bmk 128	Attendant Counselor 1 (6)
GG: Bmk 129	Mental Health Technician 1 (4)
GG: Bmk 133	Investigator 2 (2)
GG: Bmk 134	Public Health Advisor 3 (2)

3 Ranges (7.5%)

GG: Bmk 61	Nursing Assistant 1 – Certified (0)
HE: Bmk 75	Cook (3)
HE: Bmk 209	Mariner II (3)
GG: Bmk 109	Workers' Comp Adjudicator 3 (7)

2 Ranges (5%)

Joint: Bmk 60	Licensed Practical Nurse 2 (1)
GG: Bmk 104	Juv Rehab Residential Counselor (7)
GG: Bmk 110	Psychiatrist 4 (2)

1 Range (2.5%)

HE: Bmk 211	Ship's Steward (1)
HE: Bmk 213	Research Technologist II (1)
GG: Bmk 106	Financial Services Specialist 3 (1)

At Prevailing Rate

GG: Bmk 76	Food Service Aide 1 (0)
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Above Prevailing Rate

GG: Bmk 44	Laundry Worker 1 (APR)
HE: Bmk 44	Laundry Operator 1 (APR)
HE: Bmk 71	Security Guard (new benchmark)
HE: Bmk 76	Food Service Worker (APR)
GG: Bmk 107	Support Enforcement Office 2 (APR)
GG: Bmk 110	Psychologist 4 (APR)
GG: Bmk 114	Social Worker 3 (APR)
GG: Bmk 117	Commercial Vehicle Enf Officer 1 (APR)
GG: Bmk 118	Licensing Services Rep 2 (APR)

**Salary Increase/Wage Adjustment
Percentages Planned Budgeted for 2006 for Employers Planning Adjustments**

<u>Market Segment Title</u>	<u>Average Percentage Adjustment</u>
Finance/Administration	3.0
General/Retail	2.2
Higher Education (Private Universities/Colleges)	3.3
K-12	2.8
Library	2.5
Medical	3.4
Multiple Industries	4.6
Operations/Maintenance/Trades & Construction	2.5
Public Sector-City/County/Port/Federal/Gov't	2.8
Science//Engineering and Security	4.3
Technology	<u>5.5</u>
In-state Average	3.3
 States represented in 00S Survey Average	 2.6
 State of Washington (Planned/Budgeted)	 1.6 (non-base)

**2006 Total Compensation Survey
Employee Benefit Plan Survey - Data Summary**

GROUP A (TIME OFF WITH PAY)

	Prevailing Practice	State Practice
How many holidays do employees receive?	10 days	11 days
Does your employer offer leave through a paid time off account?	Yes – 40% No – 60%	No
If yes, what type of leave is covered:	Vacation Sick Personal	NA
Does your employer offer vacation time on an accrual basis?	Yes	Yes
Vacation Days Earned 5 12 15 20 22	Service Requirement Less Than 6 months 1 Year Less than 5 years Less than 10 years No fifth week	Service Requirement Less Than 6 months 1 Year 5 years 14 Years No fifth week
Is earned vacation lost if not used within specified time?	Yes	Yes
Does your employer offer paid sick leave on an accrual basis?	Yes	Yes
Maximum amount of sick leave earned or accrued	60 days	No Limit
Sick Leave Conversion	No	Yes at retirement/death (\$.25/\$1.00)

GROUP B (HEALTH CARE INSURANCE)

	Prevailing Practice	State Practice
Medical (Fee for Service Plan- Uniform Medical¹) Deductibles Employee/Family	\$200/\$400	\$200/\$600 ²
Co-Pay (Employer/Employee) In Plan Out of Plan	(90/10) (60/40)	(90/10) ³ (60/40) ⁴
Stop Loss (Total out-of pocket expenses) Employee/Family	\$1000/\$2000	\$1125/\$2250

Dental Deductibles Employee Family	\$100 \$200	\$50 \$150
Dental Plan Schedule Coverage Percentage In-Network Diagnostic/Preventive Basic Restorative Endodontics Periodontics Orthodontics Out-of-Network	100% 90% 80% 80% 50%	100% 80% 80% 80% 50% 70% except Ortho is 50%
Dental Maximum Annual Benefit	\$3000	\$1500
Employee Premiums (Medical/Dental/Vision) Employee Employee & Dependent Family (Includes Dental)	\$ per month \$75 \$150 \$475	\$ per month ¹ \$14 \$38 \$49
Employer Cost/Employee (Medical/Dental/Vision)	\$572.36	\$663.00

GROUP C (LIFE & LTD INSURANCE)

	Prevailing Practice	State Practice
Amount of paid term life insurance provided. Optional	One x salary up to \$50,000	\$25,000 Yes
Flexible benefit plans (% of Participants offering plans) Premium Conversion Health Care Reimb Acct Child Care Reimb Acct Full Cafeteria Plan	89% 78% 80% 20%	Yes Yes ⁵ Yes No
Long Term Disability Employer Paid Percentage and maximum monthly amt.	60% of base pay up to \$3600/month	60% of base pay up to \$240/month

GROUP D (PENSION/RETIREMENT)

Defined Benefit Plan	Prevailing Practice	State Practice(Pers 2)
Contribution Rate Percentage Employee Employer	1.5 2.5	2.25 2.44
Unreduced Benefits Eligibility	Age 55 with 20 yrs service or Age 62 with 10 yrs service	Age 65 with a minimum of 5 years service
Indexed to Cost of Living?	No (56%) Yes (44%)	Yes

GROUP E (401K SAVINGS PLAN – Private Sector Only)

	Prevailing Practice	State Practice
Employee Contribution Max/ (Employer Match)	8% of base pay/ 50% employer match	Deferred Compensation up to \$15,000 for 2005 No employer match

GROUP F (BENEFIT COST)

	Prevailing Practice	State Practice
Total Benefit Cost as a percentage of payroll	39.8%	41.1%

- 1) Medical Enrollment Breakdown – 41.4% of State Employees and K-12 have chosen Uniform Medical. There are other options available of which 58.6% have chosen the other managed plans. Historically, Uniform Medical has been used as the benchmark for the survey.
- 2) There is a separate deductible of \$100/employee and \$300/family for prescription drugs. This is in addition to the deductible for medical.
- 3) The Co-Pay schedule applies to both medical and dental.
- 4) The Uniform Medical plan pays 60% of allowable charges. The employee must pay 40% plus the difference between allowable and billed.
- 5) Higher Ed Only

Appendix

Appendix A

2006 Total Compensation Survey – Participating Firms' Market Segment and Benchmark Representation

Appendix B

Central States' Regional Total Compensation Analysis

2006 TOTAL COMPENSATION SURVEY

PARTICIPATING FIRMS' MARKET SEGMENT AND BENCHMARK REPRESENTATION

The following information provides a context for the analysis and evaluation of the survey results:

- ◆ Survey participation rate of 72.4% (215 out of 297 firms)
- ◆ Total number of employees represented in the data – 36,294
- ◆ Average number of participants matching each benchmark – 43

Percentage representation of participants by Market Segment:

MARKET SEGMENT	TOTAL NUMBER OF FIRMS	PERCENTAGE REPRESENTATION	AVERAGE NUMBER OF BENCHMARK MATCHES
PUBLIC SECTOR ¹	74	34.4%	12.5
K-12 SCHOOL DISTRICTS	34	15.8%	12.4
OP/MAINT/TRADES/CONST	30	14.0%	5.3
MEDICAL	25	11.6%	14.6
SCIENCE/ENGINEER/ENERGY/SECURITY	10	4.7%	5.6
TECHNOLOGY	10	4.7%	4.7
GENERAL/RETAIL	10	4.7%	6.4
FINANCE/ADMIN	8	3.7%	4.8
LIBRARY	6	2.8%	5.5
HIGHER ED – PRIVATE COLLEGES/UNIVERSITIES	6	2.8%	13.8
MULTIPLE MARKETS	2	.9%	24.0
TOTAL	215	100%	

Note:

¹ Public sector includes federal, cities, counties, ports and other governmental municipalities.

Appendix B

State	Average Salary	Vacation Hours	Sick Hours	Holiday Hours	Health	Insurance Dental	Vision	Life	Retirement	Social Security	Total Benefit	% of Salary	Total Compensation
ARIZONA	\$31,960.00	120	96	80	\$419.00	\$15.40		\$0.20	6.90%	6.20%			
per hour	\$15.37	\$0.89	\$0.71	\$0.59	\$2.42	\$0.09		\$0.05	\$1.06	\$0.95	\$6.75	43.94%	\$22.12
ARKANSAS	\$32,081.00	144	96	96	\$373.76				10.00%	6.20%			
per hour	\$15.42	\$1.07	\$0.71	\$0.71	\$2.16				\$1.54	\$0.96	\$7.15	46.33%	\$22.57
COLORADO	\$48,360.00	120	80	80	\$190.20	\$14.90		\$0.16	10.40%				
per hour	\$23.25	\$1.34	\$0.89	\$0.89	\$1.10	\$0.09		\$0.04	\$2.42		\$6.77	29.11%	\$30.02
IDAHO	\$36,101.00	120	96	80	\$525.02	\$16.08			10.39%	6.20%			
per hour	\$17.36	\$1.00	\$0.80	\$0.67	\$3.03	\$0.09			\$1.80	\$1.08	\$8.47	48.81%	\$25.83
ILLINOIS	\$48,500.00	120	96	100	\$446.56	\$13.94	\$3.54	\$0.36	13.79%	6.20%			
per hour	\$23.32	\$1.35	\$1.08	\$1.12	\$2.58	\$0.08	\$0.02	\$0.08	\$3.22	\$1.45	\$10.96	47.02%	\$34.28
INDIANA	\$28,553.00	120	72	104	\$280.00	\$11.39	\$3.81	\$0.13	9.20%	6.20%			
per hour	\$13.73	\$0.79	\$0.48	\$0.69	\$1.62	\$0.07	\$0.02	\$0.03	\$1.26	\$0.85	\$5.80	42.26%	\$19.53
IOWA	\$47,377.00	120	144	88	\$471.63	\$24.55		\$0.23	5.75%	6.20%			
per hour	\$22.78	\$1.31	\$1.58	\$0.96	\$2.72	\$0.14		\$0.05	\$1.31	\$1.41	\$9.49	41.67%	\$32.27
KANSAS	\$33,931.00	120	96	80	\$324.18	\$23.93			5.27%	6.20%			
per hour	\$16.31	\$0.94	\$0.75	\$0.63	\$1.87	\$0.14			\$0.86	\$1.01	\$6.20	38.01%	\$22.51
LOUISIANA	\$35,502.00	144	144	80	\$373.10			\$0.46	17.10%				
per hour	\$17.07	\$1.18	\$1.18	\$0.66	\$2.15			\$0.11	\$2.92		\$8.20	48.03%	\$25.27
MICHIGAN	\$47,920.00	136	104	96	\$346.92	\$34.17	\$5.75	\$0.21	24.52%	6.20%			
per hour	\$23.04	\$1.51	\$1.15	\$1.06	\$2.00	\$0.20	\$0.03	\$0.05	\$5.65	\$1.43	\$13.08	56.77%	\$36.12
MINNESOTA	\$44,996.00	130	104	88	\$368.80	\$20.66			4.00%	6.20%			
per hour	\$21.63	\$1.36	\$1.08	\$0.92	\$2.13	\$0.12			\$0.87	\$1.34	\$7.81	36.09%	\$29.44
MISSOURI	\$29,392.00	120	120	96	\$424.00			\$0.33	12.59%	6.20%			
per hour	\$14.13	\$0.82	\$0.82	\$0.65	\$2.45			\$0.08	\$1.78	\$0.88	\$7.46	52.79%	\$21.59
MONTANA	\$35,739.00	120	96	84	\$425.00	\$28.60		\$0.13	6.90%	6.20%			
per hour	\$17.18	\$0.99	\$0.79	\$0.69	\$2.45	\$0.17		\$0.03	\$1.19	\$1.07	\$7.38	42.93%	\$24.56
NEBRASKA	\$34,808.00	120	112	96	\$263.66			\$0.14	6.75%	6.20%			
per hour	\$16.73	\$0.97	\$0.90	\$0.77	\$1.52			\$0.03	\$1.13	\$1.04	\$6.36	38.00%	\$23.09
NEVADA	\$44,556.00	120	120	88	\$481.19				10.50%				
per hour	\$21.42	\$1.24	\$1.24	\$0.91	\$2.78				\$2.25		\$8.40	39.23%	\$29.82
NEW MEXICO	\$38,661.00	96	96	80	\$254.59	\$9.70	\$4.01	\$0.10	16.59%	6.20%			
per hour	\$18.59	\$0.86	\$0.86	\$0.71	\$1.47	\$0.06	\$0.02	\$0.02	\$3.08	\$1.15	\$8.24	44.32%	\$26.82
NORTH DAKOTA	\$34,177.00	120	96	84	\$260.62			\$0.19	4.12%	6.20%			
per hour	\$16.43	\$0.95	\$0.76	\$0.66	\$1.50			\$0.04	\$0.68	\$1.02	\$5.61	34.15%	\$22.04
OKLAHOMA	\$30,722.00	144	120	80	\$458.92	\$21.96		\$0.20	11.50%	6.20%			
per hour	\$14.77	\$1.02	\$0.85	\$0.57	\$2.65	\$0.13		\$0.05	\$1.70	\$0.92	\$7.88	53.33%	\$22.65
OREGON	\$39,048.00	120	96	80	\$387.14			\$0.20	9.52%	6.20%			
per hour	\$18.77	\$1.08	\$0.87	\$0.72	\$2.23			\$0.05	\$1.79	\$1.16	\$7.16	37.46%	\$26.29
SOUTH DAKOTA	\$31,210.00	120	112	92	\$415.46			\$0.21	6.00%	6.20%			
per hour	\$15.00	\$0.87	\$0.81	\$0.66	\$2.40			\$0.05	\$0.90	\$0.93	\$6.61	44.07%	\$21.62
TEXAS	\$32,809.00	80	96	120	\$343.48			\$2.23	6.45%	6.20%			
per hour	\$15.77	\$0.61	\$0.73	\$0.91	\$1.98			\$0.51	\$1.02	\$0.98	\$6.74	45.97%	\$22.51
UTAH	\$37,440.00	130.0	104	88	\$320.69	\$43.72		\$0.14	13.38%	6.20%			
per hour	\$18.00	\$1.13	\$0.90	\$0.76	\$1.85	\$0.25		\$0.03	\$2.41	\$1.12	\$8.45	46.92%	\$26.45
WASHINGTON	\$43,284.00	120	96	88	\$663.00			\$0.29	2.44%	6.20%			
per hour	\$20.81	\$1.20	\$0.96	\$0.88	\$3.83			\$0.07	\$0.51	\$1.29	\$8.73	41.96%	\$29.54
WISCONSIN	\$38,721.00	120	130	108	Varies by Collective Bargaining Agreement			\$0.32	4.50%	6.20%			
per hour	\$18.62	\$1.07	\$1.16	\$0.97				\$0.07	\$0.84	\$1.15	\$5.27	28.31%	\$23.89
WYOMING	\$37,474.00	120	96	72	\$371.52	\$10.74		\$0.29	11.25%	6.20%			
per hour	\$18.02	\$1.04	\$0.83	\$0.62	\$2.14	\$0.06		\$0.07	\$2.03	\$1.12	\$7.91	43.91%	\$25.93
Average =	\$17.94	\$1.04	\$0.91	\$0.76	\$2.22	\$0.11	\$0.02	\$0.08	\$1.61	\$1.08	\$7.49	42.28%	\$25.44
		121	105	89	\$383.46	\$20.70	\$3.43	\$0.33	9.8%				

Data Source: Table 13 Table 16 Table 17 Table 18 Table 21 Table 24 Table 25 Table 30 Table 31 Table 31

- NOTE:
- When variable rates or ranges were given for annual, sick or holidays, an average was used.
 - Average Salary: Classified salary was not reported by Nebraska in Table 13, the Average Salary for Classified and Unclassified was used in this Table.
 - Dental: If included in medical plan or left blank in Table 24 it was left blank in this Table.
 - Vision: If included in medical plan or left blank in Table 25 it was left blank in this Table.
 - Life: Monthly premium rate for \$1,000 multiplied by 40 = \$40,000 coverage. If included in medical plan or left blank in Table 30 it was left blank in this Table.

The 2005 Central States Regional Total Compensation Analysis table (above) indicates that the State of Washington ranks 6th among the 25 regional states in total compensation. The State Compensation Office of the Department of Personnel continues to work with other states to understand their plans and ensure a consistent baseline for reporting and comparing this type of benefit information.